



APPROPRIATIONS UPDATE

HOUSE COMMITTEE ON THE BUDGET
Majority Caucus • Jim Nussle, *Chairman*

309 Cannon House Office Building
www.budget.house.gov • (202) 226-7270

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TREASURY, POSTAL APPROPRIATIONS BILL FOR FISCAL YEAR 2003 H.R. 5120

SUMMARY

The Treasury, Postal Service, and General Government appropriations bill (H.R. 5120), as reported by the House Committee on Appropriations on 15 July 2002, is consistent

with the House fiscal year 2003 budget resolution (H.Con.Res. 353). The bill also complies with the requirements of the Congressional Budget Act.

COST OF THE LEGISLATION

As reported, H.R. 5120 provides \$18.500 billion in new budget authority [BA] and \$18.190 billion in outlays for 2003 – a decrease of \$504 million in BA and \$368 million in outlays from fiscal year 2002 (assuming the 2003 outlay effect of enacting the House-passed supplemental

appropriations bill, H.R. 4775). If this measure is enacted, spending in this appropriations bill will have increased an average of 10.5 percent a year in the past 3 years. The bill does not contain emergency-designated new BA or rescissions of previously enacted BA.

Table 1: Treasury, Postal Service & General Government Appropriations Bill

(fiscal years; millions of dollars)

	2002 Enacted ^a	Administration 2003 Request	302(b) for 2003	2003 Bill
Budget Authority	19,004	17,963	18,501	18,500
Outlays	17,822	17,979	18,237	18,190

^a Represents House current status to reflect this bill's share of unallocated emergency outlays.

COMPLIANCE WITH THE BUDGET RESOLUTION

The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of bills in excess of a subcommittee's 302(b) allocation. The second, section 311(a), prohibits consideration of legislation exceeding the total levels of BA and outlays established in the concurrent resolution on the budget. The \$18.500 billion in new discretionary budget authority is \$1 million less than

the 302(b) allocation to the House Appropriations Subcommittee on the Treasury, Postal Service, and General Government. Outlays of \$18.190 billion are \$47 million below the subcommittee's outlay allocation.

Table 2 on the next page shows a breakdown of spending provided by the bill.

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This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

Table 2: Discretionary Spending in the Treasury, Postal Service and General Government Appropriations Bill
(in millions of dollars)

	Budget Authority	Outlays
Department of the Treasury	16,169	15,904
<i>Internal Revenue Service</i>	9,899	9,647
<i>Customs Service</i>	3,128	3,039
<i>Secret Service</i>	1,022	1,057
<i>Other</i>	2,120	2,161
Postal Service	77	77
Executive Office of the President	285	308
<i>Office of Management and Budget</i>	61	62
<i>Office of Homeland Security</i>	24	20
General Services Administration	522	285
Office of Personnel Management	264	259
Other/Independent Agencies	1,183	1,357

ADVANCE APPROPRIATIONS

The bill contains an advance appropriation of \$31 million for fiscal year 2004 payments to the Postal Service for free mail for the blind and overseas voters; the advance

appropriation is included in the list of permissible advance appropriations under section 301 of the House budget resolution.

DISCUSSION

Overall, the bill is \$537 million in BA higher than the President's request, primarily due to the following:

- A Customs Service increase of \$291 million, because the Committee did not provide the increased air/sea passenger user fee assumed by the President (\$250 million), but did provide for additional personnel and operating expenses (\$41 million).
- Other Treasury Department increases totaling a net of \$10 million, consisting of Secret Service (\$8 million) and miscellaneous increases (\$18 million), offset by

reductions in the Internal Revenue Service (\$16 million).

- An Other/Independent Agency increase of \$248 million, primarily due to Election Reform Grants (\$200 million), and the High Intensity Drug Trafficking Areas Program (\$40 million).
- Other miscellaneous reductions, totaling \$12 million, consisting of reductions from the General Services Administration (\$9 million), and the Executive Office of the President (\$3 million).

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PAY PARITY

This bill includes a provision increasing the cost-of-living adjustment [COLA] for civilian personnel to 4.1 percent, compared with the 2.6-percent increase proposed by the President. (The President proposed a 4.1-percent increase for military personnel.) The Congressional Budget Office [CBO] does not include the cost of this provision in its estimate of the bill. No additional funds have been provided

to implement this provision; the cost of the COLA will be reflected in the appropriations bills for the respective agencies. Each department or agency will be responsible for absorbing the cost of the higher COLA in its overall agency appropriation. There are also additional retirement costs associated with this proposal that are not reflected in the CBO bill estimate.

OTHER BUDGET-RELATED ISSUES

For the second year, the bill prohibits using funds appropriated in the to pay the salary or expenses of any employee of the Office of Management and Budget [OMB] who calculates, prepares, or approves any material that

proposes the suballocation of budget authority or outlays by the Appropriations Committees among their subcommittees after the submission of the President's budget. OMB objected to the inclusion of such language in last year's bill.

Prepared by **Lynn Kremer, Edward J. Puccerella, Budget Analysts**
Daniel J. Kowalski, Director of Budget Review